(b) to (d) The Eleventh Finance Commission as per its terms of Reference is required to make an assessment of the debt position of States and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and States. Any debt relief to a State will have to await the recommendations of the Eleventh Finance Commission.

Statement

Details of Central Loans sanctioned to the Government of Meghalaya from the Ministry of Finance since 1990-91 *to* 1999-2000

Years	Rs. in crores
1990-91	25.28
1991-92	19.01
1992-93	19.13
1993-94	26.75
1994-95	30.03
1995-96	21.30
1996-97	27.10
1997-98	36.93
1998-99	45.04
1999-2000	49.11

Retention of veto power by Government in banks

3291. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned, 'Government to retain veto power in Public Sector Banks legislation to hold one golden share mooted' appearing in the Hindustan Times dated the 9th March, 2000;

(b) if so, the details thereof; and

(c) the reasons for holding one golden share with veto power rights and retaining dominant control of the banks especially when Government holding is proposed to be reduced to 33 per cent through public offering?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Government's attention has been drawn to the news-item. The Finance Minister, in his Budget Speech for 2000-2001 has, *inter-alia,* stated that to facilitate the process of meeting the

minimum capital adequacy norms set by Reserve Bank of India and to enable the banks to expand their operations, Government have decided to accept the recommendations of the Narasimham Committee on banking sector reforms for reducing the requirement of minimum share holding by Government in nationalised banks to 33 per cent without changing the public sector character of banks. There is no proposal under consideration of the Government for Government's holding one 'golden share' with veto power.

Fiscal Responsibility Act

3292. SHRI P. PRABHAKAR REDDY: Willi the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a Fiscal Responsibility Act is proposed to be enacted in the current session of Parliament;

(b) if so, the details thereof and the purpose thereof and if not, the reasons therefor; and

(c) what further steps are proposed to be taken to restore the credibility of the annual budget exercise and revive the fiscal discipline?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Government has set up a Committee under the Chairmanship of Secretary (Economic Affairs) to go into various aspects of the matter concerning enactment of a 'Fiscal Responsibility Act' and recommend a draft legislation. The exercise is intended for medium-term management of the fiscal deficit with the support of an appropriate institutional mechanism embodied in a Fiscal Responsibility Act. The Finance Minister in the Budget Speech 2000-01 has indicated that the Government wishes to bring the necessary legislative proposals to the Parliament during the course of the year.

Economic Terrorism

3293. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether economic terrorism like drug smuggging, gold smuggling and inflow of counter-feit currency has increased considerably on account of ISI activities for the last three months;